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**VILLAGE OF OAK RIDGE, LOUISIANA**  
**ANNUAL FINANCIAL STATEMENTS**

**As of and For the Year Ended**  
**December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/18/08

VILLAGE OF OAK RIDGE, LOUISIANA  
General Purpose Financial Statements  
As of and For the Year Ended December 31, 2007  
With Supplemental Information Schedules

**C O N T E N T S**

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**TRANSMITTAL LETTER**

**ANNUAL FINANCIAL STATEMENTS**

March 27, 2008

Ms. Suzanne Elliot  
Office of Legislative Auditor  
1600 North Third  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Ms. Elliot:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Village of Oak Ridge, Louisiana as of and for the fiscal year ended December 31, 2007. The report includes all funds under the control and oversight of the municipality. The accompanying financial statements have been prepared on the modified accrual basis of accounting. The statements are not prepared in accordance with the provisions of Government Accounting Standards Board Statement No. 34..

Sincerely,

  
Clerk

Enclosure

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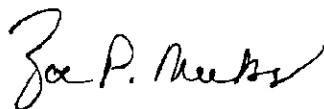
Honorable Mayor and Members of  
the City Council  
Village of Oak Ridge, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Oak Ridge, Louisiana (the Village) as of and for the year ended December 31, 2007 as listed in the table of contents, and the accompanying supplementary information contained in Schedules 1, 2, and 3, which are presented only for supplementary analysis purposes, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules, information that is the representation of management of the Village of Oak Ridge, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Generally accepted accounting standards require State and Local Governments to adopt and report under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus." The Village is not presenting its financial statements under those standards. Those standards require that the Village report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the Village's basic financial statements. The standards also require that a management's discussion and analysis be included as supplementary information. The effects of these departures have not been determined.

Management has elected to present the Village's financial statements under the pre-GASB 34 standards (general purpose financial statements). If the GASB 34 presentation (basic financial statements) was included in the financial statements, it might influence the user's conclusions about the Village's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



March 23, 2008

VILLAGE OF OAK RIDGE, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 2007

	Governmental Fund Types			Proprietary	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Fund	General Fixed Assets	Long-Term Debt		
				Types Enterprise				
ASSETS:								
Cash and Cash Equivalents	\$ 85,137	\$ -	\$ -	\$ 81,205	\$ -	\$ -	\$ -	\$166,342
Investment in Certificates of Deposit	146,853	40,334	114,675	150,247	-	-	-	452,109
Accounts Receivable -								
Taxes, Grants and Customers	1,644	-	-	4,148	-	-	-	5,792
Restricted Assets - Cash	-	-	-	52,304	-	-	-	52,304
Water & Sewer Systems	-	-	-	1,481,735	-	-	-	1,481,735
Accumulated Depreciation	-	-	-	(542,534)	-	-	-	(542,534)
Land	-	-	-	2,100	-	-	-	2,100
General Fixed Assets	-	-	-	-	99,973	-	-	99,973
Total Assets	<u>233,634</u>	<u>40,334</u>	<u>114,675</u>	<u>1,229,205</u>	<u>99,973</u>	-	-	<u>1,717,821</u>
LIABILITIES AND FUND EQUITY:								
Liabilities:								
Customer Deposits	-	-	-	2,975	-	-	-	2,975
Accrued Interest Payable	-	-	-	975	-	-	-	975
General Obligation Bonds Payable	-	-	-	242,423	-	-	-	242,423
Accounts Payable	3,412	-	-	1,529	-	-	-	4,941
Payroll Liabilities Payable	<u>342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342</u>
Total Liabilities	<u>3,754</u>	<u>-</u>	<u>-</u>	<u>247,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,656</u>

(Continued)

VILLAGE OF OAK RIDGE, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 2007

	Governmental Fund Types			Proprietary	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Fund Types Enterprise	General Fixed Assets	Long-Term Debt		
EQUITY AND OTHER CREDITS:								
Contributed Capital	-	-	-	1,191,473	-	-	-	1,191,473
Investment in General Fixed Assets	-	-	-	-	99,973	-	-	99,973
Retained Earnings (Deficit)	-	-	-	(210,170)	-	-	-	(210,170)
Fund Balances:								
Reserved for:								
Water Maintenance & Fire Protection	-	-	114,675	-	-	-	-	114,675
Purchase of Police Vehicle-State Appropriation	25,000							
Unreserved	<u>204,880</u>	<u>40,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,214</u>
Total Equity and Other Credits	<u>229,880</u>	<u>40,334</u>	<u>114,675</u>	<u>981,303</u>	<u>99,973</u>	<u>-</u>	<u>-</u>	<u>1,466,165</u>
Total Liabilities, Equity and Other Credits	<u>\$233,634</u>	<u>\$40,334</u>	<u>\$114,675</u>	<u>\$1,229,205</u>	<u>\$99,973</u>	<u>\$-</u>	<u>-</u>	<u>\$1,717,821</u>

See accompanying notes and accountants' report.

VILLAGE OF OAK RIDGE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE -  
 ALL GOVERNMENTAL FUND TYPES  
 Year Ended December 31, 2007

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
REVENUES:				
Taxes	\$ 14,358	\$ -	\$ -	14,358
Licenses & Permits	14,982	-	-	14,982
Fines & Forfeitures	13,669	-	-	13,669
Intergovernmental	25,000	-	-	25,000
Interest Revenues	6,632	1,647	5,493	13,772
Miscellaneous	<u>6,488</u>	<u>-</u>	<u>-</u>	<u>6,488</u>
Total Revenues	<u>81,129</u>	<u>1,647</u>	<u>5,493</u>	<u>88,269</u>
EXPENDITURES:				
General Government	16,089	-	-	16,089
Public Safety	90,744	-	-	90,744
Health & Welfare	858	-	-	858
Highways & Streets	7,998	-	-	7,998
Capital Outlay	<u>615</u>	<u>-</u>	<u>-</u>	<u>615</u>
Total Expenditures	<u>116,304</u>	<u>-</u>	<u>-</u>	<u>116,304</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(35,175)</u>	<u>1,647</u>	<u>5,493</u>	<u>(28,035)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	36,135	-	-	36,135
Operating Transfers Out	<u>(6,498)</u>	<u>-</u>	<u>(36,135)</u>	<u>(42,633)</u>
	<u>29,637</u>	<u>-</u>	<u>(36,135)</u>	<u>(6,498)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(5,538)	1,647	(30,642)	(34,533)
FUND BALANCES, January 1	<u>235,418</u>	<u>38,687</u>	<u>145,317</u>	<u>419,422</u>
FUND BALANCES, December 31	<u>\$229,880</u>	<u>\$40,334</u>	<u>\$114,675</u>	<u>\$384,889</u>

See accompanying notes and accountants' report.

VILLAGE OF OAK RIDGE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 15,000	\$ 14,358	\$(642)
Licenses & Permits	14,000	14,982	982
Fines & Forfeitures	14,000	13,669	(331)
Fees & Commissions	4,000	5,139	1,139
Intergovernmental Revenues	-	25,000	25,000
Interest Revenues	1,000	6,632	5,632
Rental and Sale of Property	<u>1,000</u>	<u>1,349</u>	<u>349</u>
Total Revenues	<u>49,000</u>	<u>81,129</u>	<u>32,129</u>
EXPENDITURES:			
General Government	16,000	16,089	(89)
Public Safety	69,868	90,744	(20,876)
Health & Welfare	3,000	858	2,142
Highways & Streets	8,000	7,998	2
Capital Outlay	<u>-</u>	<u>615</u>	<u>(615)</u>
Total Expenditures	<u>96,868</u>	<u>116,304</u>	<u>(19,436)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(47,868)</u>	<u>(35,175)</u>	<u>12,693</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	51,868	36,135	(15,733)
Operating Transfers Out	<u>(6,000)</u>	<u>(6,498)</u>	<u>(498)</u>
	<u>45,868</u>	<u>29,637</u>	<u>(16,231)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,000)	(5,538)	(3,538)
FUND BALANCE, January 1	<u>235,418</u>	<u>235,418</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$233,418</u>	<u>\$229,880</u>	<u>(\$3,538)</u>

See accompanying notes and accountants' report.



VILLAGE OF OAK RIDGE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 RETAINED EARNINGS (DEFICIT)  
 PROPRIETARY FUND TYPE  
 WATER AND SEWER ENTERPRISE FUND  
 Year Ended December 31, 2007

	<u>Enterprise</u>
OPERATING REVENUES:	
Charges for Services	<u>\$ 55,423</u>
OPERATING EXPENSES	
Bad Debts	273
Depreciation	37,325
Insurance	1,790
Interest Expense	14,377
Office & Postage	1,240
Repairs & Maintenance	13,185
Salaries	3,600
Supplies	973
Testing & fees	888
Utilities	3,495
Meter Reading Service	<u>1,100</u>
Total Operating Expenses	<u>78,246</u>
OPERATING INCOME (LOSS)	<u>(22,823)</u>
OTHER INCOME	
Interest Income	<u>8,144</u>
Total Other Income	<u>8,144</u>
NET INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	<u>(14,679)</u>
OTHER FINANCING SOURCES (USES)	
Operating Transfers In	6,498
Operating Transfers Out	<u>-</u>
Total Other Financing Sources (Uses)	<u>6,498</u>
NET INCOME (LOSS)	(8,181)
Retained Earnings (Deficit), January 1	<u>(201,989)</u>
Retained Earnings (Deficit), December 31	<u>(\$210,170)</u>

See accompanying notes and accountants' report.

VILLAGE OF OAK RIDGE, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
WATER AND SEWER ENTERPRISE FUND  
Year Ended December 31, 2007

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (22,823)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	37,325
(Increase) Decrease in Customer Accounts	160
Increase (Decrease) in Accounts Payable	<u>1,084</u>
Net Cash Provided by Operating Activities	15,746
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interest Earned on Time Deposits	8,144
Decrease in customer meter deposits	(75)
Operating Transfers from Other Funds	<u>6,498</u>
Net Cash Provided by Noncapital Financing Activities	<u>14,567</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Retirement of Utilities Revenue Bonds	<u>(4,801)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(4,801)</u>
NET INCREASE IN CASH	25,512
CASH, January 1	<u>258,244</u>
CASH, December 31	<u>\$283,756</u>

\*Includes \$49,329 restricted balance in Revenue Bond Sinking Reserve Funds and \$2,975 restricted for customer deposits.

See accompanying notes and accountants' report.

## VILLAGE OF OAK RIDGE, LOUISIANA NOTES TO FINANCIAL STATEMENTS

### INTRODUCTION

The Village of Oak Ridge, Louisiana was incorporated July 1, 1867. The Village operates under a mayor-board of aldermen form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, health and welfare, water and sewer services, and general administrative services. The Village is governed by the mayor and a board of aldermen consisting of three elected members who receive a per diem of \$24 per year. The Village has one employee.

The accounting and reporting practices of the Village of Oak Ridge, Louisiana, except as noted in the following paragraph, conform to generally accepted accounting principles applicable to governmental units. Such accounting procedures also conform to the accounting requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, to the industry audit guide, Audits of State and Local Governmental Units published by the American Institute of Certified Public Accountants, and to Governmental Accounting and Financial Reporting Principles, published by the National Council on Governmental Accounting.

The Village of Oak Ridge, Louisiana has not adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as required by generally accepted accounting standards. Those standards require that the Village report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the Village's basic financial statements. The Village is not presenting its financial statements in accordance with GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus" which is a departure from generally accepted accounting principles.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Oak Ridge, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Oak Ridge, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Village of Oak Ridge, Louisiana (the primary government). The Village has no potential component units to include at this time.

**B. FUND ACCOUNTING**

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds**

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund - the general operating fund of the Village accounts for all financial resources, except those required to be accounted for in other funds.

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt Service Funds - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligation account group.
4. Capital Project Funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise funds - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**General Fixed Assets and General Long-Term Debt Account Groups:**

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

**C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** are recognized when they are available and measurable.

**Expenditures** are recognized when incurred.

**Other Financing Sources (Uses)** - Transfers between funds that are not expected to be repaid (and any other financing sources / use) are accounted for as other financing sources (uses) in the period in which they are paid or received.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred.

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The Board of Aldermen adopts annual budgets for the General Fund and the Water and Sewer Enterprise Fund which are prepared on the basis of accounting utilized by those funds. Annual budgets are not adopted for the other funds.

The budget for the year of 2007 was prepared by the secretary-treasurer prior to December 31 of the preceding year. The budget was then made available for public inspection 30 days prior to its being adopted during the board's regular December meeting on December 22, 2006.

Neither encumbrance accounting nor formal budget integration (within the accounting records) are employed as management control devices. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The board reserves all authority to make changes to the budget.

There were no amendments to the 2007 budget.

**E. ENCUMBRANCES**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village of Oak Ridge, Louisiana.

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

**F. CASH, CASH EQUIVALENTS AND INVESTMENTS**

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit with original maturities of three months or less. Investments include certificates of deposit with original maturities of more than three months. Under state law, the Village of Oak Ridge, Louisiana may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana.

**G. RESTRICTED ASSETS**

The ordinance authorizing the Water and Sewer System revenue bonds requires that the Village establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the maximum annual requirement for the payment of principal and interest on all the revenue bonds. At December 31, 2007, the sinking fund balance is sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The proceeds are maintained as Restricted Assets-Bond Construction Fund until such time as needed to fund the Water and Sewer System construction program.

The ordinance further requires that the Village establish a Reserve Fund and a Contingency Fund with monthly deposits of \$80 and \$82 to the respective funds beginning June 20, 1991. The Reserve Fund deposits shall continue until \$19,193.36 is accumulated in the fund.

At December 31, 2007, the Reserve and Contingency fund balances were sufficient to satisfy such bond ordinance requirements:

Enterprise Fund

<u>Revenue Bond Sinking &amp; Reserve Fund</u>	<u>Bond &amp; Grant Construction Fund</u>	<u>Customer Deposits</u>	<u>Total</u>
<u>\$49,329</u>	<u>\$ -</u>	<u>\$2,975</u>	<u>\$52,304</u>

**H. PROPERTY, PLANT AND EQUIPMENT**

General Fixed Assets Accounts Group - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, rather than in governmental funds.

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Water and Sewer System - Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method and an estimated useful life of 40 years.

#### **I. COMPENSATED ABSENCES**

The Village of Oak Ridge, Louisiana employs two individuals on a part-time basis only. Therefore, the Village does not maintain or participate in any retirement system or have a policy for accumulation of annual, vacation or sick leave.

#### **J. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

#### **K. FUND EQUITY**

##### **Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

##### **Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.



VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**L. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - ENTERPRISE FUND DEFICIT**

The accumulated deficit in the water utility fund of \$210,170 as of December 31, 2007, resulted from the following: prior to June 20, 1991, an effective transfer to the General Fund of the excess of cash received from water utility operations over the cash disbursed incident to those operations was made. No cash was maintained in the water utility fund; receipts were deposited in the General Fund and disbursements were made from the same, with all excess becoming General Fund cash.

This practice continued through June 30, 1991, when the water and sewer operations were combined and a separate bank account was established for the enterprise fund. This deficit of \$37,482 was reduced by net operating income in 1991 of \$4,048 and increased by net operating losses in 1992, 1993, 1994, 1995, 1996, 1997, 1998, and 1999 of \$6,486, \$21,608, \$16,109, \$11,143, \$8,128, \$11,315, \$5,340, and \$3,984. The 1992 - 1999 losses included depreciation expense in the amount of \$25,583 in each of the eight years. The amount of the deficit was reduced by a net operating income of \$1,557 in 2000 and increased by a net operating loss of \$3,815 in 2001, \$14,915 in 2002, \$17,154 in 2003, \$20,634 in 2004, \$11,792 in 2005, \$17,689 in 2006 and \$8,181 in 2007.. The 2001 through 2005 losses included depreciation in the amount of \$37.356. The 2006 and 2007 losses included depreciation expense in the amount of \$37,325.

**NOTE 3 - LEVIED TAXES**

The Village levies ad valorem taxes in the following amounts:

General fund	8.15 mills
Sewer, Water and Road	5.00 mills

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and investments in certificates of deposit at December 31, 2007 were secured as follows:

	<u>Interest Bearing Demand Deposits</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Carrying amount on Balance Sheet	<u>\$187,518</u>	<u>\$483,237</u>	<u>\$670,755</u>
Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	100,000	100,000	200,000
Collateralized with securities held by pledging financial institution's trust department or agency <u>in the entity's name</u>	<u>87,518</u>	<u>383,237</u>	<u>470,755</u>
Total FDIC insurance and pledged securities	<u>\$187,518</u>	<u>\$483,237</u>	<u>\$670,755</u>

As reflected in the Combined Balance Sheet, the Village of Oak Ridge, Louisiana had cash and investments in certificates of deposit totaling \$670,755. The total collected bank balances at December 31, 2007 were \$670,811. Cash and investments are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The collateral was sufficient at all times during 2007 to secure the deposits.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - RECEIVABLES

The following is a summary of receivables for December 31, 2007:

	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>
Ad valorem taxes	\$ 1,644	
Customers		\$4,148

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - FIXED ASSETS

A summary of the changes in general fixed assets is as follows:

	Balance January 1, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2007</u>
Land & Buildings	\$52,706	\$ -	\$ -	\$52,706
Equipment & Vehicles	<u>46,652</u>	<u>615</u>	<u>-</u>	<u>47,267</u>
Total	<u>\$99,358</u>	<u>\$615</u>	<u>\$ -</u>	<u>\$99,973</u>

A summary of the enterprise fund fixed assets and depreciation at December 31, 2007 is as follows:

	<u>Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Sewer System	40	\$ 325,056	\$141,189	\$183,867	\$ 8,126
Sewer System-Expansion	40	450,634	73,229	377,405	11,266
Water System-Old	40	142,425	103,149	39,276	3,784
Water System-Expansion	40	559,720	223,888	335,832	13,993
Fence	25	<u>3,900</u>	<u>1,079</u>	<u>2,821</u>	<u>156</u>
Totals		<u>\$1,481,735</u>	<u>\$542,534</u>	<u>\$939,201</u>	<u>\$37,325</u>

NOTE 7 - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions in the enterprise fund of the Village for the year ended December 31, 2007.

	<u>Public Improvement Bonds</u> <u>FmHA Water Project</u>
Bonds Payable at January 1, 2007	\$247,224
Bonds Issued	-
Bonds Retired	<u>4,801</u>
Bonds Payable at December 31, 2007	<u>\$242,423</u>

Interest paid as an operating expense in the enterprise fund was \$14,377 for the year ended December 31, 2007.

VILLAGE OF OAK RIDGE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

The individual issues are as follows:

\$293,000 Water System Improvement & Extension - Revenue bonds dated June 14, 1991, bearing interest at 5-7/8% per annum, payable in monthly installments of \$1,599.78 which includes principal and interest payable July 14, 1992 through June 14, 2031. Annual principal payments for the next five years are as follows:

2008	\$ 5,097
2009	5,405
2010	5,730
2011	6,076
2012	6,444
Thereafter	<u>213,671</u>
	<u>\$242,423</u>

NOTE 8 - EXPENDITURES/EXPENSES - ACTUAL AND BUDGET

The Village had an unfavorable expenditure variance of \$19,436 or 20% in its general fund during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%. The variance was due primarily to an expenditure for fire protection that was made from funds designated for that purpose. The amount required for funding the project to assist the Ward Five Fire Protection District was not known at the time of preparation of the budget, and the budget was not amended to reflect the increase in the cost of the project.

NOTE 9 - LITIGATION AND CLAIMS

The Village is not involved in any litigation or aware of any claims at December 31, 2007.

NOTE 10 - RISK MANAGEMENT

The Village is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Village finances these potential losses through the purchase of insurance from commercial insurance companies. The level of coverage has remained constant. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

VILLAGE OF OAK RIDGE, LOUISIANA  
SCHEDULE OF GENERAL FUND REVENUES  
Year Ended December 31, 2007

Taxes:	
Ad Valorem	<u>\$14,358</u>
Licenses & Permits:	
Occupational Licenses	<u>14,982</u>
Fees and Commissions:	
Utility Franchise Fees and Commissions	<u>5,139</u>
Fines and Forfeitures:	
Traffic Violations	<u>13,669</u>
Intergovernmental Revenues	
LA State Appropriation - Act 18	<u>25,000</u>
Other:	
Interest Earned on Time Deposits	6,632
Sales and Rental of Property	<u>1,349</u>
	<u>7,981</u>
Total General Fund Revenues	<u>\$81,129</u>

See accountants' report.

VILLAGE OF OAK RIDGE, LOUISIANA  
 SCHEDULE OF GENERAL FUND EXPENDITURES  
 Year Ended December 31, 2007

General Government:	
Salaries & Employee Taxes	\$ 6,024
Insurance	2,831
Utilities & Telephone	1,978
Repairs & Maintenance	1,217
Other Operating Expenses	2,024
Legal & Accounting	2,015
Capital Outlay	<u>-</u>
	<u>16,089</u>
Public Safety:	
Police:	
Salaries & Employee Taxes	13,692
Fuel & Repairs	3,097
Insurance	2,719
Other Operating Expense	386
Capital Outlay	<u>615</u>
	20,509
Fire: Transfer to Ward Fire Protection District for fire station	<u>70,850</u>
	<u>91,359</u>
Health & Welfare - Mosquito Control:	
Supplies	211
Contracted Services	-
Insurance	<u>647</u>
	<u>858</u>
Highways & Streets:	
Street Light Utilities	7,998
Street Repairs	-
Capital Outlay	<u>-</u>
	<u>7,998</u>
Total General Fund Expenditures	<u>\$116,304</u>

See accountants' report.

VILLAGE OF OAK RIDGE, LOUISIANA  
SCHEDULE OF PER DIEM & SALARY PAID TO ALDERMEN  
Year Ended December 31, 2007

The following compensation was paid to the Mayor and Aldermen of the Village of Oak Ridge, Louisiana for the year ended December 31, 2007.

The Honorable Anderson W. Barham, Mayor	\$ 48
Clint E. Shephard, Alderman	24
Gene Allen, Alderman	24
Gerald McLendon	14
John Baker, Alderman	<u>10</u>
	<u>\$120</u>

See accountants' report.